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CCPC STUDY

ON

INTELLIGENCE ACTIVITIES AGAINST
ILLICIT NARCOTICS TRAFFICKING

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I. EXECUTIVE SUMMARY

A. The Purpose

The purpose of this study is to examine the role of U.S. foreign intelligence activities with respect to the U.S. Government's narcotics control program, to identify existing intelligence deficiencies and their causes, and to determine measures which could be taken to improve our overall intelligence on illicit narcotics trafficking.

B. The Narcotics Problem

1. Drug abuse in the United States is a spreading infection that levies enormous social costs on our society. The National Institute on Drug Abuse (NIDA) estimates that these costs (narcotics-related crimes, health care, drug program costs and addicts' lost productivity) may amount to as much as \$17 billion annually. This includes Federal spending on drug control programs (interdiction, law enforcement, prevention and treatment) which exceeds \$750 million each year.

2. In his message to Congress on April 27, 1976, President Ford called attention to these staggering costs and pointed out that more than 5,000 Americans die each year from drug abuse. Furthermore, it has been estimated that as many as one-half of all "street crimes" are committed by drug addicts. With a record of domestic seizures of 283 pounds of pure heroin in 1975, as opposed to a consumption level (based on seizure data) of five to six tons by an estimated 550,000 heroin addicted persons,* the scope of the problem becomes painfully clear.

3. When the 1972 Critical Collection Problems Committee (CCPC) study on *Intelligence Activities Against Narcotics and Dangerous Drugs* was published, Turkey was the primary source of the illicit opiates. Since that time,

* NIDA estimates that there are approximately 550,000 heroin-addicted persons in the United States, 150,000 of whom are undergoing treatment.

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Mexico has emerged as the major supply source of illicit drugs reaching the United States. Of the heroin being used in this country, an estimated 80-90 percent (based on seizure data) now originates in Mexico. Other important developments are the movement of an increasing amount of Southeast Asian heroin to Western Europe and the proliferation of transshipment points extending from the Caribbean to the Eastern Mediterranean. An additional problem is the significant increase in illicit trafficking in cocaine and marihuana.

4. Heroin is the drug causing the most serious problems in the United States and all heroin consumed in the United States is produced overseas. Although the problems associated with the use of cocaine, barbiturates and marihuana are recognized, because of the immense social implications of the use of heroin, and the huge profits made by traffickers (pure heroin has an estimated street value of \$500,000 per pound), the primary emphasis of this study is on opium derivatives.

C. Role of Intelligence

Narcotics intelligence is essential to the international narcotics control effort to reduce the availability of illicit narcotics on the worldwide market; and to support U.S. policy designed to encourage greater commitment from foreign governments to eliminate distribution of narcotics through strict control and eradication measures, and to interdict the raw materials before they reach the U.S. consumer.

D. Current Critical Problems

Several critical problems, discussed in detail in Section VI of the Back-up Study, require attention, action and resolution at the highest levels of government. The key problem areas are summarized below.

1. The Role of the Intelligence Community in the Narcotics Control Effort

a. Many of the problems are themselves manifestations of the more fundamental question of the extent to which the Intelligence Community can -- or should -- be involved

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in the narcotics control effort. The target area is not a typical one for the Community in that the primary users of narcotics intelligence are law enforcement agencies, such as the Drug Enforcement Administration (DEA) and the U.S. Customs Service, which are not directly associated with the Intelligence Community apparatus but which maintain their own intelligence or information gathering capability. Furthermore, court procedures, regulations, and interpretations of statutory authority have circumscribed the extent of association between the Community and the law enforcement process.

b. Some of the key U.S. Government agencies involved in the international narcotics control program are not routinely represented at Intelligence Community meetings and consequently their needs and capabilities in planning, targeting, resource allocation and coordination matters are not always considered. DEA and its parent agency, the Department of Justice, are not members of the National Foreign Intelligence Board (NFIB). The Federal Bureau of Investigation (FBI), an agency of the Department of Justice, is a member of the NFIB, but it is charged with representing its own interests and not those of Justice or DEA. The U.S. Customs Service, as a component of the Department of Treasury, is represented by Treasury at NFIB meetings, but sometimes neither Treasury nor Customs has been included in working level meetings where Treasury/Customs has an active interest.

c. The inability of the concerned U.S. Government agencies to advance more effective narcotics intelligence programs is due, in large part, to these legal and policy questions. Since U.S. foreign intelligence agencies such as the Central Intelligence Agency (CIA), the National Security Agency (NSA) and the Defense Intelligence Agency (DIA) cannot fully support law enforcement services, a unified approach to the problem has been lacking and the overall narcotics intelligence effort has suffered. One measure that has been taken to meet the need for a better coordinated interdepartmental effort was the establishment of the Interagency Drug Intelligence Group (IDIG)* under DEA leadership. IDIG is designed to improve

* The following agencies are members of the IDIG: DEA, State Department, Immigration and Naturalization Service, U.S. Customs Service, Office of Management and Budget (ex officio) and the U.S. Coast Guard. The Department of Agriculture and the Federal Aviation Administration are ad hoc members.

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the collection, analysis and dissemination of narcotics information in support of specific policy and enforcement decisions and actions. However, the IDIG has not been entirely successful since the restrictions imposed on the foreign intelligence agencies severely limit the assistance that they can provide to law enforcement operations, especially those with possible domestic implications. As its initial task, IDIG is concentrating its resources on the Mexican heroin problem, but its charter clearly states that once IDIG has proven to be an effective instrument, its responsibilities will be expanded to include other priority countries, as appropriate.

2. Adequacy and Allocation of Resources

Intelligence resources necessary to support the Government's overall narcotics control effort are not presently available. There is also a lack of high-level support throughout the Government for the narcotics intelligence effort and consequently, an imbalance in the allocation of resources between enforcement and intelligence.

3. Information Management and Report Evaluation

The lack of free exchange of information among the various enforcement and intelligence agencies involved in the narcotics problem has been caused by the following:

- a. Limited dissemination of DEA field information reports to the foreign intelligence agencies;
- b. An inadequate data base and limited Federal agency access to various automatic data processing facilities;
- c. The fact that some CIA intelligence information reports are too highly classified and tightly controlled to be useful to U.S. and foreign law enforcement agencies; and
- d. The lack of adequate feedback from the consumers to help collection agencies refine their targeting and requirements.

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4. Operational Coordination

Operational coordination among U.S. intelligence collection and enforcement agencies is not sufficient to ensure frank and open exchanges. In fact, coordination itself is currently a divisive issue. The coordination problem is complicated because of the nature of the relationship to the Intelligence Community of those enforcement agencies which have narcotics information collection responsibilities.

5. Legal Problems and Restrictions

a. The need to protect sensitive intelligence sources and methods which provide foreign narcotics information from public disclosure can conflict with the legal requirement that the sources of evidence used in the prosecution of a narcotics trafficker in a U.S. court be disclosed to the defense. In order to preserve future access to sensitive sources and methods which contribute significant information to the overall narcotics collection effort, agencies involved should work together more closely to ensure that such information is not used in the prosecution of a trafficker. If it appears that a U.S. prosecution or potential prosecution might invite disclosure of a sensitive source, the agency or agencies involved should notify the Department of Justice as quickly as possible so that all prosecutorial alternatives can be fully explored.

b. During the past few years, restrictions have been placed on the type of material that NSA and the Service Cryptologic Agencies can collect and report. All NSA direct support to DEA was terminated in 1975.

c. Executive Order 11905, and the Attorney General's implementing guidelines and procedures, place limitations on the U.S. foreign intelligence agencies' activities related to the narcotics situation. Guidelines for NSA promulgated by the Attorney General, as well as the restriction in the Executive Order on assistance to law enforcement agencies, are being interpreted to preclude direct NSA support to DEA. (On 4 March 1976, DEA requested a Department of Justice opinion on this.) In addition, the Attorney General has recently promulgated guidelines which restrict the type of information that can be collected, retained, and disseminated by CIA to law enforcement agencies, notably to DEA and Customs.

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II. CONCLUSIONS AND RECOMMENDATIONS

A. The Role of the Intelligence Community in the Narcotics Control Effort

Conclusion #1: The Intelligence Community's participation in, and assistance to, the narcotics control effort are limited and are not likely to change without revisions in current policy and regulations.

Recommendation:

That the Director of Central Intelligence (DCI) seek National Security Council (NSC) consideration of the problem and generation of guidance for the Intelligence Community.

Conclusion #2: The relationship of both DEA and Customs to the Intelligence Community as defined in Executive Order 11905 is not clear. Although both are fully committed to the narcotics problem, the Intelligence Community has not always given sufficient attention to their needs and capabilities in planning, targeting and resource allocation, and in establishing national intelligence priorities. As the lead narcotics agency with attendant intelligence responsibilities, it is particularly important that DEA be represented in the Intelligence Community to the extent necessary to permit the exchange of information on narcotics matters. It is recognized, however, that as a practical matter, it is difficult to achieve separation of DEA's foreign intelligence and its domestic responsibilities. Thus, the integration of DEA's foreign intelligence elements into the Intelligence Community will involve legal and policy problems.

Recommendation:

Assuming favorable resolution of the legal and policy problems mentioned above, that the Intelligence Community Staff, in consultation with the Department of Justice and DEA, consider revision of Executive Order 11905 to include the

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foreign intelligence elements of DEA in the membership of the foreign intelligence community for narcotics intelligence matters to facilitate the coordination of foreign narcotics intelligence programs. An advantage of such a revision would be its enabling the DCI to effect overall coordination of the foreign narcotics intelligence effort and give him authority to provide guidance and direction to DEA's foreign intelligence collection, processing, analytical and production efforts. A disadvantage to DEA would be the fact that its inclusion as a foreign intelligence agency would at the same time subject it to the restrictions of Section 5 of Executive Order 11905, unless DEA could get an exclusion from these restrictions.

Conclusion #3: The collection, analysis and dissemination of narcotics intelligence is inadequate, primarily because of current legal and policy restrictions imposed on foreign intelligence agencies and the subsequent inability of all U.S. Federal agencies to work together in a cohesive, coordinated manner. There is a need for a mechanism which will bring representatives of all U.S. Government narcotics information collection agencies' activities together at the working level on a continual basis to share all available information and to address the substantive requirements of the concerned agencies. The establishment of the IDIG should be regarded as a positive step toward achieving this end.

Recommendations:

1. That foreign intelligence agencies support the IDIG concept and activities to the extent possible, given the current legal and policy restrictions that are imposed on their support to law enforcement services.
2. If an evaluation of the IDIG approach to the Mexican heroin problem indicates that it is an effective means of providing better support to U.S. policy makers, that IDIG use a similar approach to narcotics problems in other Latin American, Southeast Asian or Near East countries.

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B. Adequacy and Allocation of Resources

Conclusion #1: Past recommendations of the CCPC and other U.S. Government committees for improvements in intelligence collection and analysis in support of narcotics control have not been fully implemented. If more effective narcotics information programs are to be stimulated, a greater degree of support is needed from the executive level including support from the White House and from the Cabinet Committee on International Narcotics Control (CCINC).

Recommendation:

That the CCINC consider and take appropriate action to ensure that CCPC narcotics recommendations concerning the overseas missions' reporting and coordination functions are implemented.

Conclusion #2: To ensure better coordination of the overall foreign narcotics intelligence effort, a permanent narcotics intelligence committee or subcommittee be established under the DCI to conduct periodic reviews of the narcotics information collection effort and to recommend measures which should be taken to improve the U.S. Government's overall foreign narcotics intelligence programs.

Recommendation:

That a permanent CCPC subcommittee be established to review and coordinate the overall foreign narcotics intelligence effort and report on its findings and recommendations periodically to the CCPC. Additionally, that the CCPC report to the NFIB by 1 April 1977 on those actions taken to implement the Study recommendations and results obtained.

Conclusion #3: A multidisciplinary team of experts could make a significant contribution to an estimate of the worldwide opium poppy crop. To accomplish this task would require analysis of information on illicit and licit opium poppy cultivation and opiate production by a team of experts that would include photo-interpreters, agronomists, and specialists in other disciplines.

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Recommendation:

That the Committee on Foreign Intelligence (CFI) consider the proposal to establish a multidisciplinary team of experts, under CIA's leadership, to analyze the worldwide opium poppy crop. The security classification of the product would be a governing factor in its final utilization.

Conclusion #4: Insufficient resources are committed to the analysis of raw data. The emphasis on law enforcement operations is often detrimental to developing effective intelligence capabilities. DEA and Customs managers should increase resources assigned to narcotics intelligence programs to correct this imbalance.

Recommendations:

1. That enforcement agencies, the DEA in particular, consider assigning additional personnel, trained in the specialized skills of collecting and analyzing information, to increase the efficiency of their overseas intelligence and enforcement operations.
2. That Customs undertake a program to improve the analytical training of its headquarters staff and the information collection techniques of officers assigned overseas.

C. Intelligence Collection Effort

Conclusion #1: Narcotics reporting from many missions in response to CCINC information collection requirements has been inadequate.

Recommendations:

1. That the Foreign Intelligence Subcommittee (FISC) of the CCINC be charged with formulating coordinated information collection requirements which are more nearly precise and specifically tailored to each country's or each region's

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particular problem; and, further, that Federal agencies be tasked to monitor the response of their reporting elements to these requirements to ensure that information is reported on a timely basis.

2. That Chiefs of Mission exploit the expertise of all mission personnel to ensure that narcotics information requirements are answered as rapidly and as thoroughly as possible.

3. That the Department of Defense (DoD) provide specific guidance to military commands with intelligence/counterintelligence resources to ensure that DoD cooperation is given to satisfying valid information collection requirements through by-product reporting.

Conclusion #2: Although Mexico is currently the primary source of illicit drugs entering this country, reporting on other potential sources of illicit narcotics is needed to identify promptly those areas which might become alternate or supplementary sources to Mexico. Special emphasis should be placed on Burma, Thailand, Pakistan and Afghanistan.

Recommendation:

That CCINC-approved periodic alert reporting requirements be sent to Chiefs of Mission in countries where opium poppies are or can be cultivated. In countries where opium is a legal crop, that Chiefs of Mission be instructed to report on crop control measures and the possible diversion of opium into illicit markets.

Conclusion #3: The cooperation of foreign governments, particularly their law enforcement and intelligence services, is vital to U.S. narcotics control programs. Continued diplomatic persuasion is required to encourage foreign governments to participate actively in joint anti-narcotics efforts.

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Recommendation:

That Chiefs of Mission be instructed by the Department of State to continue to encourage foreign governments to strengthen international narcotics treaties and narcotics laws.

Conclusion #4: Interpol's contribution to the world-wide narcotics control effort is not substantial, but it has the potential of becoming a valuable facility in some countries where the police are willing and able to cooperate.

Recommendation:

That the Department of the Treasury request the U.S. National Central Bureau of Interpol in Washington to encourage member nations to expand the use of the total Interpol communications network to facilitate the investigation of narcotics trafficking.

Conclusion #5: Large-scale narcotics transactions obviously require significant currency exchanges. In many instances, more information on the flow of money involved would enable law enforcement agencies to identify the trafficker and his backers.

Recommendation:

That collection managers emphasize the requirement for information concerning the movement of large amounts of money by narcotics traffickers and their financiers.

D. Information Management and Report Evaluation

Conclusion #1: A considerable amount of narcotics information is not reaching all of the Federal agencies which have a need for it. In some cases, information exchange and dissemination procedures, both in Washington and overseas, are inadequate. Some collectors of narcotics information do not appreciate the value of their product

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to other agencies. For example, DEA enforcement officers frequently collect information of general interest to Washington analysts and program managers, but make only a partial record and dissemination of it.

Recommendation:

That DEA, in particular, increase the emphasis given to narcotics information collection overseas, devote more resources to analytical responsibilities and improve dissemination procedures to ensure that valuable information does not remain restricted to operational files.

Conclusion #2: Current computer systems devoted to the narcotics problem are constantly being adapted and improved to meet Federal agency needs. There have been insufficient improvements, however, in both data input and interagency access to narcotics data banks. Restrictive caveats on much of the information contained in CIA's [REDACTED]

[REDACTED]
severely limits the enforcement agencies' ability to use the CIA data.

Recommendations:

1. That DEA, Customs and CIA take immediate steps to improve the data base input and facilitate interagency access to information already in existing automatic data processing (ADP) systems.
2. That CIA remove as many of the restrictive caveats as possible consistent with protection of sources on information contained in its TAS system and provide this information for the use of DEA and Customs in their ADP systems.

Conclusion #3: CIA's non-SIGINT intelligence information reports tend to be too highly classified and restricted to be of operational use to law enforcement agencies. CIA intelligence which can be acted upon by law enforcement agencies in the field is needed. However, if CIA information is passed to them, measures should be taken to protect sensitive sources and methods.

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Recommendation:

That CIA make every effort to lower the classification and restrictions on its non-SIGINT narcotics intelligence information without compromising sources or methods so that this information can be passed to U.S. and foreign enforcement agencies and be made available for inclusion in DEA and Customs computer data banks.

Conclusion #4: The lack of a systematic customer evaluation procedure for narcotics information limits the ability of Federal agencies to improve the quality of their reports, especially overseas, where good feedback would permit retargeting of ongoing operations to make them more responsive to customer needs. Such a customer evaluation system is needed by CIA to assist in determining if a particular operation is providing useful information as well as in refining collection requirements.

Recommendation:

That DEA, Customs and CIA develop a systematic procedure for DEA and Customs to provide substantive, evaluative comments on CIA raw intelligence and information passed in the field.

E. Operational Coordination

Conclusion #1: Coordination of U.S. clandestine narcotics intelligence collection operations has improved since 1972, especially with regard to DEA's foreign information gathering operations. There is, however, a continuing need for more extensive operational coordination in order to prevent duplication of effort and possible damage to the U.S. Government's foreign relations caused by the exposure of sensitive clandestine operations. The Interagency Source Registry (ISR) plays an important part in the operational coordination process, but DEA and CIA should periodically review the ISR procedures to ensure complete compliance and a better interagency understanding of the value of the source registry. DEA's use of domestically-based sources to collect narcotics information overseas can cause problems abroad unless the operational collection plans are coordinated well in advance of the operation.

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Recommendation:

That DEA instruct its Domestic Regional Offices to inform the appropriate DEA Regional and District Offices overseas concerning the travel abroad of domestically-based DEA sources; and that DEA overseas offices, in turn, inform the appropriate CIA Station Chief of the planned travel, identifying the source and the general nature of his mission.

Conclusion #2: The Memorandum of Understanding between DEA and Customs (see Appendix I) clarified many points of contention resulting from the Reorganization Plan and has led to improvements in the exchange and use of information collected by both agencies. DEA has made significant strides in developing its foreign and domestic intelligence collection programs, but its current commitment of resources is still inadequate to meet all of the constantly changing narcotics intelligence requirements.

Recommendations:

1. That Customs and DEA continue to strengthen and adhere to the agreements set forth in the Memorandum of Understanding.
2. That DEA management be urged to increase its commitment of resources devoted to collecting, analyzing and disseminating narcotics information.

F. Legal Problems and Restrictions

Conclusion #1: U.S. foreign intelligence agencies are limited in their collection role and in the information they can disseminate to U.S. enforcement agencies because of legal restrictions. Nevertheless, the use of sensitive clandestine sources and methods has proven to be an effective means of collecting narcotics information, often providing the only means of access to vital data. Efforts should be made to exploit these sensitive collection techniques, but it is equally essential that the sensitive sources and methods be protected, without prejudicing a U.S. court prosecution or an ongoing enforcement case. A number of urgently needed decisions

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affecting the operational guidelines of Federal agencies engaged in the narcotics control effort are currently under examination by the Department of Justice.

Recommendations:

1. That the DCI and the Administrator for DEA request the Department of Justice to act expeditiously on DEA's request for clear guidelines as to its relationship with U.S. foreign intelligence agencies in general and with NSA and CIA in particular.
2. That NSA provide strategic narcotics-related information (as opposed to operational enforcement information) to the DEA and Treasury/Customs.*
3. That DoD formally authorize and encourage DoD collection elements of foreign intelligence to report narcotics information as by-product reports.

Conclusion #2: One of the quickest, cleanest and most effective techniques to immobilize foreign traffickers is through prosecution in foreign countries. Information from sensitive sources and methods poses far less of a legal problem to enforcement operations when prosecution takes place in a foreign court.

Recommendation:

That Federal agencies make greater efforts to furnish narcotics information, other than SIGINT and overhead photography, to foreign governments to aid in the prosecution of narcotics traffickers in foreign courts.

* On 13 December 1976, as a result of the CCPC Study, the Attorney General determined that NSA may resume providing strategic information to DEA.

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Conclusion #3: Sensitive source information, excluding that obtained by NSA, can be used to support Customs interdiction operations. When Customs follows its standard search and seizure practices, identification of source is not necessary. Customs, however, must advise DEA in advance when information derived from sensitive sources is involved in the interdiction operations so that DEA can discuss with appropriate Department of Justice officials the advisability of initiating a prosecution.

Recommendation:

That CIA, DEA and non-NSA Department of Defense (DoD) sensitive source information be made available to Customs to support those Customs interdiction operations which are likely to succeed in removing illicit narcotics from the U.S. market without revealing how and where the sensitive information was obtained.

Conclusion #4: DEA and Customs need to improve the training of their officers stationed overseas in foreign information collection techniques. Their officers are not adequately alert to the value of good narcotics information. Consequently, they tend to concentrate on short-range enforcement actions rather than on the development of longer range narcotics collection programs. CIA has the expertise to assist DEA and Customs with their training courses, but has not done so because of legal restrictions.

Recommendation:

That the CIA Office of General Counsel, in coordination with the Department of Justice, as appropriate, be asked to review the legality and propriety of CIA's assisting DEA and Customs in developing improved training programs.

Conclusion #5: Defense attorneys often call for discovery motions during the trial of narcotics traffickers in U.S. courts, especially with regard to possible electronic surveillance of the defendant.

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The Attorney General's procedures for NSA and his proposed procedures for CIA, however, restrict the information which these agencies are permitted to have and thus inhibit the passage of such information to DEA. It is important that accurate and detailed records of information collection efforts be maintained to help the Department of Justice respond to discovery motions.

Recommendation:

That Federal agencies make any needed changes in their file-keeping procedures to permit the maintenance of complete and accurate records concerning information disseminated or surrendered to law enforcement agencies. This will enable the Department of Justice to document the case for source sensitivity in order to preclude disclosure of sensitive source information pursuant to defense discovery motions.

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